

**Statement of H.E. Mr. Khusrav Noziri, ECO Secretary General
at the Senior Officials' Meeting, preceding the 25th Meeting
Of the Council of Ministers
(Ashgabat, November 26, 2021)**

The Honourable Deputy Foreign Minister of Turkmenistan, H.E. Mr Berdiniyaz Matiev
Excellencies, Deputies Minister, Ambassadors,
Heads of Delegations, Distinguishes Delegates,

I am privileged to join you all in this important meeting preceding the 25th Meeting of the ECO Council of Ministers (COM). I avail this opportunity to extend my deep thanks and appreciation to the Government of Turkmenistan, especially the Ministry of Foreign Affairs for making excellent arrangements to facilitate the meeting and for the warm welcome to the visiting delegates in the beautiful city of Ashgabat.

Today, we have gathered to discuss and deliberate on some important matters that include the agendas of 25th COM and 15th Summit as well as to finalize the contents of the Draft Ashgabat Consensus for Action proposed for adoption by the Summit. My detailed report is already provided to the participants that contains comprehensive assessment on the Organization's activities and progress made during the post-24th COM period. It is relevant to recall that this period has experienced regional and global crisis due to the outbreak of COVID-19 which has been hampering the worldwide socioeconomic progress. Followed by such an untoward situation, the ECO like other regional and international organizations resorted to the virtual/hybrid working modes, holding most of its meetings and activities online with a view to keeping our planned activities intact.

Amongst some other immediate steps that the Organization took soon after the outbreak of Coronavirus included the (i) release of concise Preliminary Assessment concerning the potential impact of the pandemic on the ECO Region's Economy, (ii) issuance of practical ECO Guidelines on Cross Border Facilitation Measures under conditions of COVID-19 to facilitate an unhindered passage of essential goods across the ECO border points, and (iii) finalization of a declaration on health during the relevant ministerial meeting. Moreover, the former ECO Secretary General, H.E. Dr. Hadi Soleimanpour also approached some prominent international financial bodies to seek their collaborative engagements with ECO Trade and Development Bank to support our region in the time of crisis. Most of them welcomed the approach and

introduced their focal points to have a better coordination with ECO bank for joint operation in the region. I deeply acknowledge and appreciate the role and contribution of my predecessor who dedicatedly managed to implement the agenda of the Organization throughout such a difficult period.

Excellencies,

As envisaged in the Treaty of Izmir, the core role of ECO is to promote greater regional integration which is possibly only through increased collaboration and multilateral activism. It is commendably acknowledged that all the ECO Member States always appear committed and composed to support the Organization in the pursuit of its developmental goals aimed at enhanced economic growth and promotion of trade and investment activities in the region.

The pandemic has demonstrated the need for resilience in supply chain and value chain linkages complexity of trade relations amid the pandemic induced restrictions and pronounced significance of regional cooperation to address regional challenges for a "V" shaped economic recovery. It is for this reason Member State must come closer to work together to reboot the post-pandemic economic growth in the region.

Let me draw your kind attention to some useful data concerning the ECO region. The ECO's contribution to the global trade has been US\$ 661 billion in 2020 with exports of US\$ 289.78 billion and imports of US\$ 371.4 billion. The intra-regional trade remained around US\$ 49.8 billion in 2020 which hovers around 7.5% of the region's global trade.

The post-COVID economic recovery and socioeconomic development of a half billion people in the ECO Region primarily depend on expanded regional trade which is an engine of economic growth. The possible collaboration can be targeted on overcoming the supply-side constraints, moving towards greater value addition culminating in Regional Value Chains (RVCs) and implementing the agreed legal and institutional frameworks, such as the ECO Trade Agreement (ECOTA), ECO Agreement on Promotion and Protection of Investment (APPI), Agreement on the Establishment and Operation of ECO Smuggling and Customs Offences Data Bank, Agreement on Simplification of Visa Procedures for Businessmen of the ECO Member States, ECO Re-Insurance Company etcetera.

On trade liberalization, the region needs to substantially upgrade its trade and investment profile. To this end, the Secretariat has conducted a study to introduce at least three scenarios for implementation of ECOTA. The study

also formulated a draft text of 'Trade Facilitation Agreement' and took a stock of the trade facilitation situation in the region in consideration of the non-tariff barriers, put in place by the Member States. In this regard, a detailed report has been shared with the Member States. The study further aims at drafting the text of a 'Comprehensive Framework for trade liberalization in the region.

On improvement of regional financial system, we have carried out a feasibility study titled: 'Regional Payment System in the ECO to facilitate financial transactions among the selected commercial/private banks in our region, using local currencies to the possible extend, and the prospects of creation of ECO Clearing Union among the Central Banks of the Member States. The results have already been shared and discussed during the First Expert Group Meeting on Banking, Financial Matters of the ECO and Forming ECO Clearing Union held virtually on May 11, 2021.

Keeping in view that promotion of trade and investment in the region needs the availability of a robust financial system as perceived in the ECO Vision 2025, I would call for Your Excellencies' due consideration to strengthening the role of the ECO Clearing Union to facilitate swift and economical trade related transactions by reducing the time and cost involved in trade related payments on a multilateral basis, as well as making these transactions more transparent, predictable, uniform and safe with less pressure on the Foreign Exchange Reserves by making local currency swap arrangements for financing imports.

We need to strengthen the capacity of ECO Trade and Development Bank and increase its capital while expanding the membership of the bank. The remaining four ECO Member States may consider joining the bank for a greater and proactive role of the bank in regional projects of priority sectors as provided in the ECO Vision 2025. The bank may be mandated to financially assist the ECO Secretariat in the feasibility studies and other bankable projects for the expansion of trade and investment in the region.

In transport sector, I am very happy to inform that we have achieved tangible results in operationalizing of the long awaited ECO-ITI Road Corridor as one of the most important connectivity projects in the ECO region in October 2021 with movement of 2 loaded trucks of about 11000 KM from Karachi Port of Pakistan, passing through Iran toward Istanbul and vice versa. This operation took almost 9 days to reach from Karachi to Istanbul that is one/fourth of travel time through sea routes. The total cost of the carriage also was meaningfully less than that of sea transport.

Another milestone in implementing our mandates is finalization of the MoU on establishment of the corridor management mechanism of the KTI (Kazakhstan- Turkmenistan - Iran) after several meetings. This MoU will pave the way for the commercialization of the existing railway corridor between the three en-route countries and beyond.

Organization of several specialized meetings on customs, civil aviation, ICT and technical workshops on digitalization of transit (eTIR and eCMR) are among other achievements of the Secretariat in the last year. Implementation of the decision of the 10th Ministerial meeting on establishment of Consultative Group of ECO TIR Issuing and Guaranteeing Associations, establishment of green lanes at BCPs (Border Crossing Points), enhancing cooperation in civil aviation including training and direct flights in the ECO region, cooperation in cyber security, establishment of ICT regional regulatory and training in ICT are among the decisions during the last meetings.

I may underline that the 4th ECO Energy Ministerial meeting held in June 2021 has been a landmark event in stepping forward on the regional energy cooperation decisions such as adoption of new Energy Strategy and its action plan 2030, Roadmap on realization of ECO Regional Electricity Market project and Charter of ECO Clean Energy Center.

Turkmenistan is one of the key energy players in the region. Given the fact that ECO Region contains one third of the global energy resources, there are ample opportunities for increasing intra-regional and inter-regional energy trade. We pin particular hopes to mainstreaming sustainable energy and regional electricity markets in our regional energy agenda. We invite active involvement and contribution by all our valuable member states in launching and successful implementation of our two flagship projects - Establishment of ECO Regional Electricity Market (ECO REM) and ECO Clean Energy Centre (CECECO). ECO-REM Project aims at harmonizing and merging the electricity markets in our Region. It could hence be instrumental in contributing to the long-term regional energy sustainability.

The joint ECO-UNIDO Project on establishment of ECO Clean Energy Centre (CECECO) represents one of the most promising recent endeavours within ECO. The Centre is considered as one of the future elements of the Global Network of Regional Sustainable Energy Centres (GN-SEC), being implemented across the globe by UNIDO in the framework of the UN SG's "Sustainable Energy for All" (SE4All) Initiative. "ECO Vision 2025" and its Implementation Framework stipulate the establishment of an ECO Clean Energy Centre up to 2025 by the ECO Secretariat/Member States.

ECO's environmental profile has been increasing steadily in the past few years. The last ECO Ministerial Meeting on Environment designated environment and impacts of climate change as a cross-sectoral priority of our Organization to be seriously considered by all ECO activities and events at different levels. We have also expanded our outreach through active engagement in important environmental fora. ECO has so far been granted Observer Status in the respective UN Organizations, including UNFCCC, UNEP, UNCCD, IPCC, UNFF, and UNCBD, and thus ECO has been actively contributing to their agenda.

Land degradation is one of the gravest challenges affecting all aspects of life – peoples' health and well-being, livelihoods, economic activities, environment and biodiversity – in all ECO Member States, including Turkmenistan. With this in mind, ECO Land Care Program, or the Project on Combating Desertification with a special emphasis on Dust Haze and Sand Storms in ECO Region evidently deserves due attention in terms of its potential future impact. The overarching goal of the Project is to exert regional efforts to tackle with the shared challenges, notably prevent, control and reverse desertification and land degradation, as well as mitigate effects of drought in our Region. The relevant authorities of Member States may actively contribute to the implementation of this Program.

The Organization has accorded top priority to food security and agricultural development in the region and, in cooperation with FAO, formulated an ECO Regional Programme for Food Security (RPFS). It represents our flagship project in the field of agriculture. Turkey is the coordinator of the Programme and the Regional Coordination Centre (RCC) on the Implementation of the RPFS was established and started its operation at the Headquarters of the Ministry of Agriculture and Forestry of the Republic of Turkey in Ankara with the support of FAO. Moreover, the respected Ministry and FAO started to revise this Program to get a more inclusive and efficient result.

ECO Permanent Veterinary Commission (ECO-VECO) is the affiliated body within the ECO in order to deal with animal diseases in ECO region. The Work Plan regarding priority activities of the ECO-VECO for 2019-24 has approved. It will enable us to take measures for joint implementation of initiatives for prevention and control of Trans-boundary diseases.

The Secretariat has made its efforts to establish the ECO Center of Excellence for Efficient Utilization of Water for Agriculture (ECO-CEEUWA). The 3rd Working Group Meeting on the Establishment of center has been held on

February 9, 2021 and it is awaited for the finalization of Draft Plan of Action and Draft Statute for establishment of the ECO-CEEUWA.

Harmonization of standards and developing quality management are the most important factors to improve and smooth trade in the ECO region. The ECO-RISCAM as the Regional Institute for Standardization, Conformity Assessment, Accreditation and Metrology in the ECO region has followed its responsibility to achieve the goals. The 8th High Level Working Group (HLWG) Meeting on RISCAM has been held among Member States on 26th October 2021 to finalizing the roadmap and establishing the General Council of RISCAM.

Following the outbreak of COVID-19, the tourism sector is particularly hard hit due to suspension of air travels, lockdowns and social distancing protocols imposed globally resulting in declining tourism activities in the ECO region like the rest of the world. However, the ECO has prioritized recovery of the sector to move forward in line with organization's envisioned goals. Relevantly, a regional Plan of Action on elimination of "COVID-19" pandemic consequences has been developed to ensure early recovery of the sector. This plan is proposed for adoption during 4th Tourism ministerial meeting to be held in Bukhara next year.

As mandated by 24th COM, the project implementation has become the main focus of the Secretariat. The projects' execution rate remained positive as 7 out of 10 mandated projects were implemented during 2020-21. Projects' completion rate has increased by 42.9% and projects' progress ratio by 42.3% by the mid-year 2020-2021. Projects' progress and implementation rate appears to gear up reaching 26% whereas it was 4% three years ago. The ECO is expected to secure more efficient and effective results in this direction. To make the ECO more project and result oriented Organization, the 31st RPC based on the Secretariat's recommendation, endorsed the proposal for the expansion of scope and number of small sized projects to feasibility study projects by authorizing the Secretary General to execute 10 more projects annually, utilizing US\$ 10,000/- for each project from General Reserve Fund. I request this august forum to favorably consider the proposed expansion of scope and number of small sized projects, making them total 20 to be implemented annually.

Also, there has been a good development in Economic Research and Statistics. On the sidelines of the 14th Summit of Heads of State/ Government on March 4, 2021 Azerbaijan and Turkey signed the Charter of the ECO Research Center (ERC), thus opening the process of this centre's institutionalization. There is a

belief that the work of this Economic Research Centre will greatly contribute to the overall progress of the Organization with the expansion of membership of the center.

I may also highlight the significance of the ECO Parliamentary Assembly as an important pillar of the Organization to push the regional developmental process; and in this regard, reiterate the need, importance and utility of the Parliamentary Diplomacy. It is encouraging that parliamentary interaction and the scope of relevant cooperative activities within our region are expanding. I congratulate and thank the Islamic Republic of Pakistan for initiating the idea of establishing the ECO Parliamentary Assembly and the country's commendable efforts to materialize the goal. The second General Conference of Parliamentary Assembly of ECO Member States, held at Islamabad in June this year, remained quite successful and constructive. The Charter of the Parliamentary Assembly of ECO has been ratified by Pakistan, Iran, Azerbaijan and Afghanistan, making the forum legally operational.

The Organization further considers the advancement of goals and objectives specified in the ECO Advocacy Programme for Afghanistan (EAPA) as one of its prime tasks. I believe that ECO Fund for Afghanistan will help contribute in the process of reconstruction and revival of economic growth in Afghanistan. The ECO is pursuing to encourage the Member States to come up with fresh ideas and suggestions as regards the expansion of ECO projects related activities in Afghanistan.

Distinguished Delegates,

Despite the challenges posed by the ongoing pandemic, the Organization is determined to pursue its envisaged aims and objectives for greater regional integration. Our constructive, cooperative and coordinated actions would surely help secure our developmental goals. I am confident that this meeting would ensure common understanding on all issues included in the agendas of our discussion.

Allow me to conclude with best wishes to the participants for meeting the task to facilitate the work of our Ministers who are scheduled to meet tomorrow. Have a wonderful and comfortable stay in Ashgabat.

Thank you all